



**Mackenzie**  
DISTRICT COUNCIL

# **Mackenzie District Council**

## **Annual Report Summary 2024/25**

## A message from your Mayor and Chief Executive

Welcome to the Mackenzie District Council Summary Annual Report. This is the first year of reporting on the Long Term Plan 2024-2034. This year has been marked by significant achievements and strategic advancements; despite the challenging economic conditions we faced and central government reforms that affected all the local government.

### Economic Conditions

The economic landscape over the 2024/25 financial year has remained challenging, with high inflation and interest rates continuing to impact communities across Aotearoa. In the Mackenzie District, the pace of economic recovery has been uneven

### Local Water Done Well

In response to the Government's Local Water Done Well reforms, Mackenzie District Council (MDC) has taken a proactive and community-focused approach to shaping the future of water service delivery. Council worked closely with neighbouring Waimate, Timaru, and Waitaki District Councils to explore the potential for a Joint Water Services Organisation. As part of this process, two delivery models were considered: a jointly owned regional entity and a standalone, Council-governed business unit. Community consultation was undertaken on both options, resulting in 124 submissions from residents and stakeholders.

After careful consideration of the feedback and detailed analysis of the financial and operational implications, Council voted to retain water services in-house

### District Plan Review and Resource Management Act Reforms

During the 2024–2025 financial year, MDC made significant progress on Stage Four of its District Plan Review, a key initiative to ensure the

district grows sustainably while protecting its unique character and environment. This stage focused on a wide range of topics, including hazards and risks, historic heritage, notable trees, open space and recreation zones, noise, signage, temporary activities, and special purpose zones such as Pukaki Village and Glentanner.

### Tourism Growth and Advocacy for Infrastructure Funding

Tourism continues to be a key economic driver for growth in the Mackenzie District economy, with the region recording the highest guest nights per capita in New Zealand—13.7:1 compared to the national average of 7.3:1. Total guest nights in Mackenzie District increased by 2.4% in the year to March 2025, compared to a year earlier.

### Primary Sector

The primary sector in the Mackenzie District demonstrated continued resilience throughout the 2024/25 financial year, playing a vital role in underpinning the district's economic stability. We extend our sincere appreciation to our primary producers—both long-established and emerging—for their dedication, adaptability, and commitment to meeting evolving regulatory requirements.

## Fast Track Projects and Infrastructure

The Mackenzie District is poised for potentially significant transformation through a number of fast-track projects, including several potential solar farms.

Alongside this, we are progressing vital infrastructure upgrades, expanding the Alps to Ocean Trail, and enhancing public amenities across our towns. These initiatives reflect our commitment to sustainable growth, improved connectivity, and long-term resilience for our communities.

## Financial overview

This has been a challenging year financially due to depressed economic conditions and inflationary pressures. We received lower financial contributions as a result of less land development and building activity in the district. Inflation and increased compliance standards across the delivery of many contracted services, e.g. water supply, toilets, parks/playgrounds, weather event clean ups, were challenging. Roading maintenance works required early in the year due to snow events, increased insurance premiums for Council's public and professional

indemnity policy and accelerated expenditure on the District Plan Review in this financial year to progress both Stage 3 and 4, further added to costs.

Increased depreciation and amortisation expense (non-cash) as a result of new assets coming online and out of cycle revaluations for roading and three waters have all significantly impacted on our results.

As we close this chapter of the Council's year, we extend our heartfelt thanks and best wishes to our outgoing elected members. Your dedication and service have helped shape the Mackenzie District into the vibrant and resilient community it is today. We also acknowledge, with deep respect and compassion, the difficult journey of Mayor Anne Munro, who stepped down following a diagnosis of metastatic cancer. Her leadership over three terms has left a lasting legacy, and her courage in the face of personal adversity has inspired many. In her absence, Deputy Mayor Karen Morgan has led with a steady hand, navigating complex challenges involving key generational decision that will affect the Mackenzie's future.

As we look ahead to the upcoming elections and a new term of governance, we remain grateful for the contributions of all who have served, and optimistic about the future of our district



Anne Munro  
Mayor



Acting Mayor Karen  
Morgan

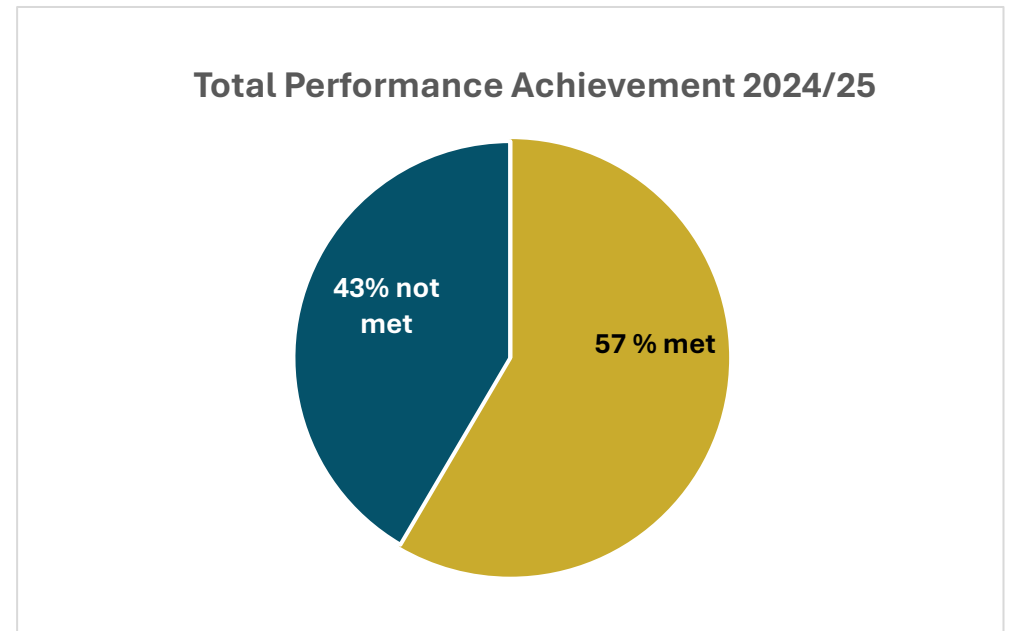
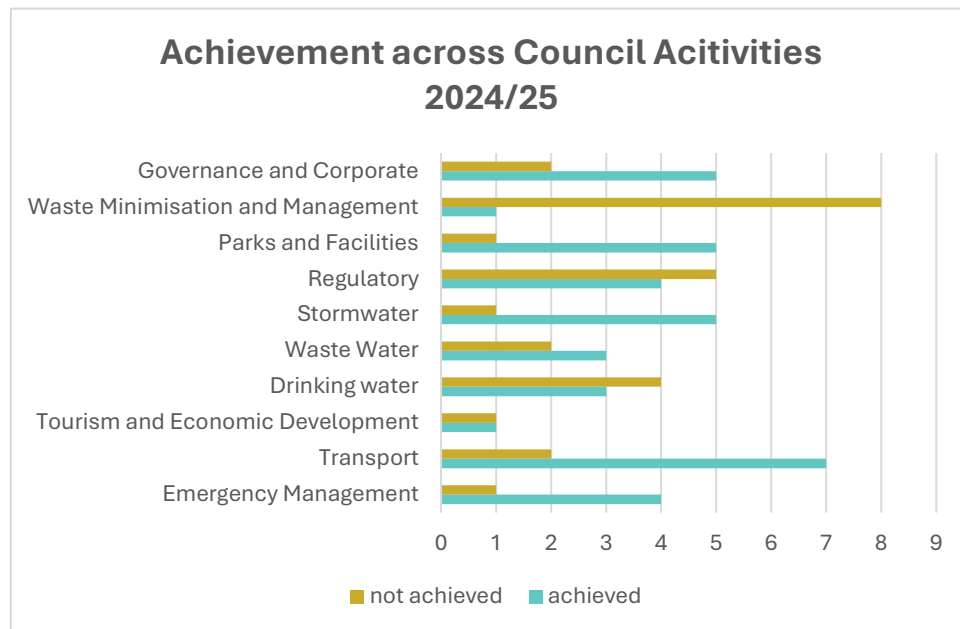


Angela Oosthuizen  
Chief Executive

## Highlighting our Achievements

### SERVICE PERFORMANCE RESULTS

The results against the performance measures and targets for the 2024/25 year are shown as achieved, not achieved, or no data available. Overall, the year-end result for the 2024/25 performance targets is 57 % achievement (37 of 65 targets).



## **Residents' Opinion Survey 2025**

Council carried out its annual residents' opinion survey seeking our residents' opinions about the services and facilities Council provides. The activity specific results of the survey reported in the residents' survey 2024/25 document, this can be found on Councils website.

The same methodology was used for both the 2024 and 2025 surveys allowing for the results to be compared across two financial years. The survey is measured using the 6-point Likert scale.

Our annual Residents' Opinion Survey was conducted through a web portal administered by an independent survey company, The Curiosity Company, and supplemented with paper versions available for collection in Twizel, and Fairlie or posted out on request. One new result was added to the survey this year, an overall performance percentage result was calculated by combining the results for each activity. Other than the additional overall score, the remaining survey results scoring method has remained the same as the 2023/24 year.

This survey was available from 27 June to 23 July 2025.

Council received 379 survey responses to our 2025 survey compared to 194 responses in 2024.

The use of an online survey means achieving a representative sample was difficult as targeting hard-to-reach respondents was not possible. Since 2022 the responses have been weighted to achieve the desired gender, age and regional quotas to mitigate the impact of the sampling method used.

## **Aggregation of Service Performance Information**

There were no significant judgements around aggregation of service performance information.

2024/25 document, this can be found on Councils website. Generally, across most Council activities there has been improvement from the 2023/24 year and the overall satisfaction was 76%

## **Performance Measures**

### **Water Services**

#### **Drinking Water**

Council achieved the set targets for 3 of the 7 performance indicators for drinking water.

#### **Wastewater**

Council achieved 60% or 4 of the 6 set performance indicators for wastewater. One of the indicators not achieved was due to non-compliance with wastewater consents, while the 3 performance indicators achieved were for the number of dry weather overflows, the level of complaints per 1,000 connections and for customer satisfaction which sat at 85%.

#### **Stormwater**

Council achieved 5 of the 6 set performance indicators for stormwater. The one indicator not achieved was response time for flooding events. At the end of the financial year Council bought the water services contract in house, now having more control over services.

## Transport

Council achieved 7 of the 9 set performance targets for the transport activity. Reporting on the road sealing programme: *To create greater efficiency and therefore a more economical sealing rate, we are in the process of combining multiple years of road sealing into one year. This has allowed us to collect more data to ensure that our reseal sites are appropriately prioritised using an evidence-based approach. One section of road requiring a second seal to maintain its integrity was sealed as a variation to the contract resulting in a score of 0.25%. This however results in Council not achieving this target. We will continue to maintain our sealed roads to an appropriate standard within our budget allocations and continue to look at innovations and cost efficiency gains.*

## Regulatory Services

Council achieved 4 of the 9 performance target set for the regulatory and compliance activity. Building accreditation was maintained, 100% of building consents and code of compliance certificates were processed with the statutory timeframe of 20 days, and 97% of LIMs were processed within the set timeframe. Customer satisfaction was up to 52% from 37% the previous year and 64% of respondents to the survey believe Council is managing dogs well in the district.

## Public Facilities, Parks and Places

Council achieved 5 of the 6 set performance targets for the public facilities, parks and places activity, only missing the 7<sup>th</sup> target by 1%. An increase from 65 % in the 2023/24 year to 74 % in the 2024/25 year. Customer satisfaction has increased overall, council has retained its safe pools accreditation and there have been no serious incidents at parks and playgrounds



# Transport

## Haldon Road Resilience

Council received funding from NZTA to improve the resilience of Haldon Road after the 2022 floods washed out the majority of the road, cutting off residents and farms from receiving much need supplies. The project has improved the capacity of the drainage through the at-risk sections including the pinch point of the gorge.

## Coal Pit Bridge replacement

The bridge was identified as one of several timber bridges that required replacement. The project was undertaken in a 6-week period and saw the bridge upgraded from its original timber beams and deck to steel beams with a concrete panel deck. The bridge and the approaches are due to be sealed in spring when conditions allow.

## Unsealed Road Metalling

Council undertakes annual unsealed road metalling to manage gravel loss across its network. Short intense rain falls, snow and freezing temperatures, along with dry extended summers all contribute to the ongoing wear of the unsealed network. This requires council to balance its efforts on the affected areas while continuing working through its maintenance programme, ensuring the level of service is upheld, allowing routes to remain open and safe for residents, visitors and commercial operations. work is generally prioritised based on road usage, condition and risk, in conjunction with drainage improvements to build resilience into the network. Strengthening these areas reduces the impact of future weather events, ensuring the network remains operational year-round.

## Asset Management Data Standard (AMDS)

The AMDS is a national project implemented by NZTA to ensure all councils and contractors use the same “language” when collecting and managing data about transport assets like roads, bridges, footpaths, and drains.

Right now, different councils record information in different ways, making it hard to share data, compare results, or plan efficiently. AMDS standardises how we collect and describe this information, ensuring councils have accurate, up-to-date data that can be used for better decision-making, smarter maintenance planning, and more effective funding bids. Having a common data standard will future prove how councils manage their networks and allow everyone to work together more easily across the transport sector.



## Water Supply

### Key Projects for 2024/25

As well as the routine maintenance and operations required to provide our community water supplies, Council had planned to undertake some significant workstreams in 2024/25.

#### Water metering (Twizel)

The Twizel water meter installation is largely completed. Though there are still a small number of meters to be activated.

#### Water metering (Tekapo)

The contractor has started the installation of smart water meters to properties connected to urban water supplies.

#### Fairlie water supply upgrade

Fairlie Water Treatment Plant (completed) - Fairlie water treatment plant has been performing well with only minor adjustments to optimise performance of the plant.

## Wastewater

**Fairlie Wastewater Relining** – The rehabilitation of sewer mains along Denmark Street in Fairlie township by using the trenchless technology CIPP relining has been completed. This section was identified and prioritised due to its age and condition with infiltration of ground water from faulty joints, crack on pipes and root intrusions. The line now has a design life of 50 years.

**Fairlie septage receipt and screen** – Septic wastewater is collected from rural septic waste tanks, and Department of Conservation toileting

facilities by private operators and dumped at our Twizel and Fairlie oxidation pond sites. Dumping septage into the ponds kills microbial life critical to the treatment process. Measured receipt provides Council with information to support accurate billing of the private operators. Holding and controlled discharge minimises the impact of septage on the pond's microbial life. The screen was installed to capture solids and rags that fill up the ponds and clog up aerators. Works were partially completed at the end of 2024/25.

**Tekapo treatment plant** – Improvements to the pond's aeration and discharge capability, as well as resilience to a large earthquake have been investigated and information collected. In 2025/26, design and the start of works are budgeted for.

**Tekapo and Twizel receipt improvements** – Septic wastewater is collected from rural septic waste tanks, and Department of Conservation toileting facilities by private operators and dumped at our Twizel and Fairlie oxidation pond sites. Dumping septage into the ponds kills microbial life critical to the treatment process. Measured receipt provides Council with information to support accurate billing of the private operators. Holding and controlling discharge minimises the impact of septage on the pond's microbial life. The screen was installed to capture solids and rags that fill up the ponds and clog up aerators. Design and contract documents were prepared in 2024/25.

## Stormwater

Resolving high ground water tables between Sloane Street and regent Street, and the upgrading of the open drain at the top of Princess Street is planned for 2025/26.

## Public Facilities, Parks and Places

### Lakeside Drive Playground, Tekapo

The Lakeside drive playground in Tekapo was completed in December 2024. After investigations the previous year showed that the existing playground had several non-compliant fixtures and was in need of urgent repair/upgrade. In collaboration with the Tekapo Community Board a new playground was designed and built. A number of positive comments about the playground have been received from the community. There is still some supplementary planting and landscape design to be completed around the playground in Spring 2025.

### Hamilton Drive Toilet and Shelter, Tekapo

The Hamilton Drive Toilet and Shelter was completed in June 2025. The design and location at the entrance of Tekapo has earned many positive comments. This is a user-pays toilet with coin and card options. The sheltered seating and excellent views will make this a popular stopping place as well as being at the Tekapo start of the Alps 2 Ocean cycle trail.

### Man Made Hill, Twizel (ongoing)

Working in consultation with the Twizel Community Board the development of the Man Made Hill area continued in 2024/25. Work done included path improvements, installation of seating, planting and irrigation, rabbit fencing

and a couple of pest control operations. The final pieces will be completed in late 2025 with a stairway to the top, star gazing seating and further path work.

### Pukaki Lookout Toilets

The Pukaki lookout toilets were the last of 3 Tourism Infrastructure funded (TIF) toilets for the district and were completed in December 2024, in time for the busy summer season. This marked the end of a long project which has taken several years to complete. The new financial year will see an extension of this project with the Pukaki toilets moving to a user pays system.

### Fairlie Village Green Playground Fencing and Shade Sails

In collaboration with the Fairlie Community Board and input from community feedback, fencing was installed around the Village Green playground following the demolition of the old toilets. This was an excellent community involved project which has made the playground area much safer for users. The shade sails will have their first use this coming summer.

### Round Twizel Trail (including Twizel River)

A number of sections of the Round Twizel trail and the Twizel River trail had been identified in previous years as needing completion or requiring extra maintenance. Over the course of the year the entire trail was brought up to a dual-use (cycling and pedestrian) specification completing some unfinished sections and with maintenance of others including introduction of some structures. A section of the Twizel River trail was moved to a slightly higher location to prevent regular flooding washouts. Existing trails were linked in various places such as to Lake Ruataniwha and with the A2O trail to provide a complete path and trail network throughout the township.

### **Lake Ruataniwha Car Parks and Landscaping**

This project was largely TIF funded and linked with the TIF funded toilets installed at Lake Ruataniwha the previous year. Two contracts were let – one for the car parks at Morrison Terrace and the Lagoon and another for the landscaping surrounding the two car parks and linking a trail between them. The Trail between has already see much use.

### **Alps to Ocean Trail (East Pukaki)**

The Hayman Road/East Pukaki section of the A2O has long been identified as an area where the trail needs to be taken off road to improve the experience for users. The first section (1A) of approximately 10km was completed in November 2024 with funding put aside by MDC and donations that were originally planned to be our contribution towards all 3 sections with MBIE funding the remaining 2/3rds. When this funding was withdrawn due to Cyclone Gabriel costs, Council elected to utilise the funding to complete the lower section.

The result has been an excellent section of trail complete with bridges and boardwalk at appropriate sections. Staff will continue to apply for funding from the MBIE run NZ Cycle fund for completing further sections in the future.

### **Lake Alexandrina**

In conjunction with our increased relationship building with the various Lake Alexandrina stakeholders, several trees were planted in Lake Alexandrina/Lake Macgregor vicinity to restore previous losses and to enhance the area. Various roading improvements were also completed and staff continue to have regular stakeholder meetings.

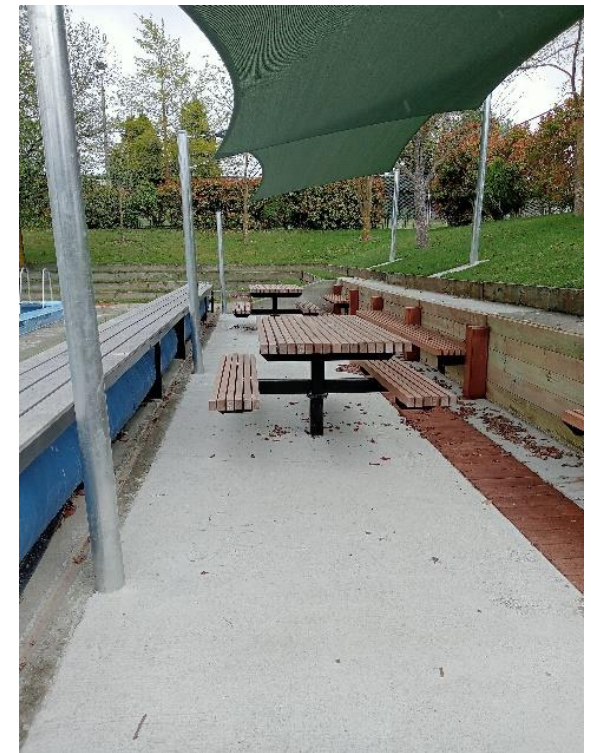
### **Twizel Event Centre (ongoing)**

The major project at the TEC this financial year was to complete the ventilation work required to maintain the buildings warrant of fitness.

This project required a number of improvements throughout the Centre and is due for completion in August 2025. The 2024/25 FY also saw the introduction of a Facilities Officer who is based at TEC and we have already seen great improvements in interactions with customers and in the general upkeep and tidiness of the facility. A new digital door system was also installed in conjunction with the IT team, which has greatly improved how customers can enter and exit the facility.

### **Twizel Pool Surrounds**

Prior to the start of the summer a number of works were completed on the Twizel pool surroundings to enhance the visitor experience. Changing rooms received a new coat of paint, old pool cover structures were removed and replaced with more seating and shade sails, irrigation was installed on the banks to help keep them grassed and inflatables were bought to improve the fun swim experience. A number of positive comments were received from the public about the improvements.



# Regulatory Services

## District Plan Review

The Council has nearly completed a full review of its District Plan. This is a very resource intensive and expensive statutory process for any Council. The previous District Plan became operative in 2004. Under the Resource Management Act 1993 (RMA) Councils are required to review their District Plan every 10 years. The new plan provisions ensure the District Plan is relevant to the Mackenzie District as it is now and for the foreseeable future; comply with legislative requirements arising from the RMA and associated national and regional requirements; and provides an updated Mackenzie District Plan that will be relevant when addressing proposed government resource management system changes. The benefits of an updated plan include having a local plan with a local community “voice” so that it may be considered in any future regional plan (as proposed by the current government’s reform proposals).

The District Plan review has been undertaken in stages. Stages one and two (including Spatial Plans) have been completed in prior years, Stage three decisions were released early in 2024/25 and is now complete, with the appeals process completed during the year. As with earlier stages, Stage four has been through significant community and Council input and formal consultation. Stage four focused on a wide range of topics, including hazards and risks, historic heritage, notable trees, open space and recreation zones, noise, signage, temporary activities, Designations, and special purpose zones such as Airports, Pukaki Village and Glentanner. Following earlier consultation phases, Council publicly notified Plan Changes 28, 29, and 30 as well as Designations, in November 2024. After a formal hearings process in May 2025, decisions on these plan changes

and associated variations were released in July 2025. The decision making for the District Plan has been delegated by Council to independent hearings commissioners. Following completion of Stage four, including an appeals process, the District Plan review programme will be complete.

## Objective build

In March 2025 the Council introduced and implemented a new online building consent system known as Objective Build (the previous software being no longer supported by the vendor) Objective Build is a new online platform designed to create consistency, transparency and quality in building applications and consents. The Objective Build system building consent application platform covers all aspects of the building consent process including applying for amendments to an approved building consent or applying for a code compliance certificate when you have finished building. Objective Build is simple and intuitive to use, having full visibility of how the application is progressing. The uptake from our community has been positive from those who use this new system”.



## Waste Management and Minimisation

The Council has managed three Cleanfill sites in the district for a number of years, these facilities accept a range of hardfill such as clean soil, concrete and rock. The original consents for these sites expired in 2019, with an application

lodged for new consents to continue operations. It is considered these sites provide a convenient and appropriate way for Cleanfill to be disposed of by our communities and that it was valuable to carry on with this service.

New consents have now been granted, allowing the facilities to operate through to 2031.

## Governance and Corporate Services

### Community Development

#### **Mackenzie Grant finder**

In February, the Mackenzie Grant Finder database was launched. This is an online database that brings together grants that are available to nonprofit organisations in the Mackenzie district to apply for.

Organisations and individuals are able to join for free and search for funding that meets their needs and organization type. This service is supported by free advice from a community adviser.

Thirty-four community groups attended the first in a series of funding clinics in Twizel. The event was facilitated to help local groups learn about funding opportunities and connect directly with philanthropic funders. Eight of the district's significant funders gave presentations and made themselves available to talk directly to community groups.

### **Increased Youth Service**

The Y Central South Island now has a permanent presence in Twizel offering positive youth development services to young people in the area. This is a relationship that has developed over time and is being well supported by the local community.

### **Driver Licensing**

Obtaining driver licensing has been identified as a significant barrier for young people in the Mackenzie, especially those looking to stay in the district to find work. We have leveraged our relationship with the Y Central South Island, and other providers to deliver driver training in Twizel and Fairlie.

### **Barista Training**

MTFJ recently delivered targeted training in the Mackenzie District for youth and job seekers, focused on building practical skills in high-demand local industries. Through engagement with local employers, it was identified that hospitality businesses preferred candidates with hands-on barista training over theoretical certifications. In response, successful training courses were delivered in partnership with local businesses—Fairlie Good Coffee Co in Fairlie and Mint Folk and Co in Twizel.

### **Mackenzie Recreation Society Inc.**

Advisory support was provided to a small group of Fairlie locals to establish the Mackenzie Recreation Society Inc. The group approached Council seeking guidance on how to secure a sustainable future for two well-established local programmes, Fairlie Kids Club and Team Tumble Cheer.

## Financial Highlights

Council performance in this report shows an operating deficit of \$4,887,000 compared to the budgeted deficit of \$1,395,000, with total revenue of \$31.259 million, and total expenditure of \$36.146 million. With the revaluation of assets and fair value movement of bonds and unlisted shares resulting in an overall bottom-line Comprehensive Revenue and Expense of \$4,087,000 deficit.

The year end results include non-cash items and year-end adjustments. The key focus should be on the cash revenue and expenditure variances which total \$2.541 million. Lower revenue (totalling \$1,810,000) was driven by market conditions, not controllable by Council.

Higher operational expenditure (totalling \$3.084 million) related to unforeseen emergency events, funding additional township maintenance expenditure and an approved accelerated review of the District Plan. Some of these costs were offset by favourable personnel variances.

- Cash and financial investments were \$1.287 million at 30 June 2025.
- We invested \$7.738 million in capital expenditure (excluding vested assets).
- At 30 June 2025 external debt was \$23.811 million, against a budget of \$20.547 million
- The value of our property, plant and equipment increased by \$0.593 million, intangible assets by \$1.050 million which included receiving carbon credits worth \$0.938 million, investment property by \$0.285 million and forestry assets by \$0.488 million.

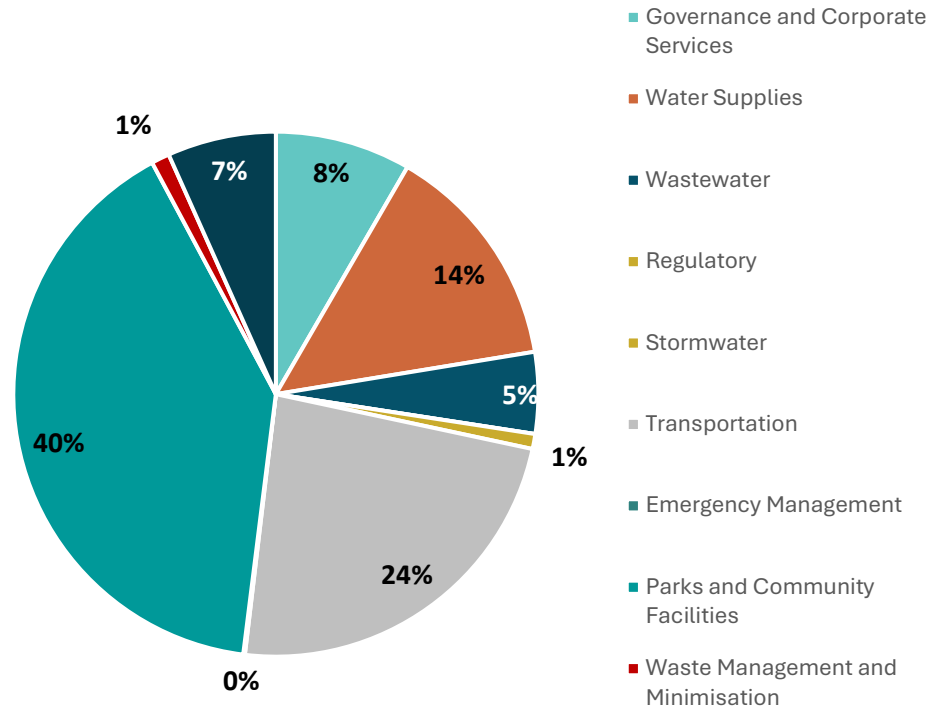
During the year new capital works replaced old assets, which required some asset write-offs. Disposals for the remaining book values from key projects included urban water pipes and public toilets. There was also reinstatement of some roading assets that were missed from the 2024 out of cycle revaluation. There was a decrease of assets vested in Council from private developments driven by economic conditions, whilst there were gains from forestry and investment property annual valuations and the annual carbon credit entitlement.

### Financial position

The Council's draft balance sheet is \$4.078 million less than the net assets and equity as at 30 June 2024. Cash and cash equivalents are lower by \$4.217 million due to Council's decision to delay borrowing due to higher interest rates and utilising cash on hand for capital expenditure. Current liabilities have moved by \$4.066 million and relate to the addition of \$5.209 million short term borrowings. Non-current liabilities have decreased by \$2.212 million from the 30 June 2024 total of \$15.020 million as a result of Council undertaking less long-term borrowing from the Local Authority Funding Agency (LGFA) to fund capital expenditure

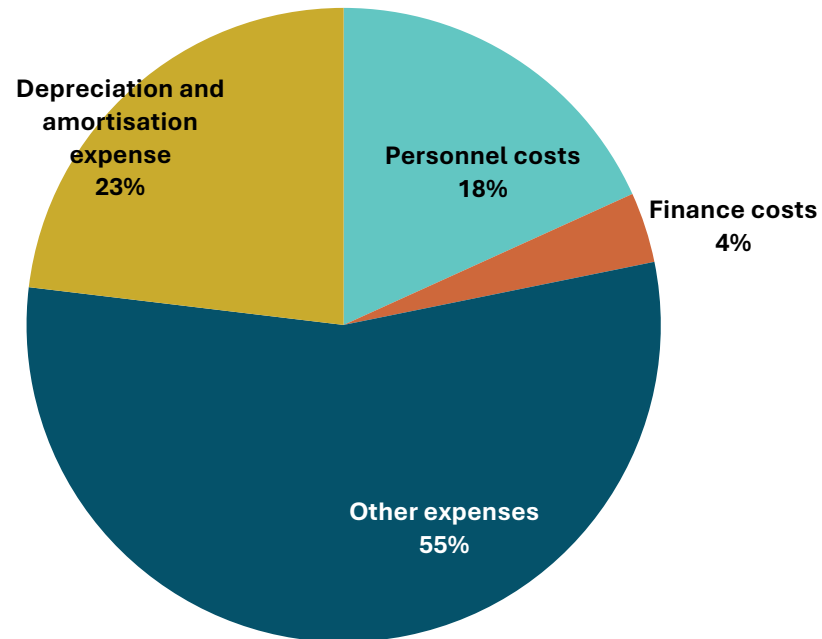
# Capital Expenditure

Overall the total capital expenditure for the year was \$7.7million over the total budget of \$5.2 million.



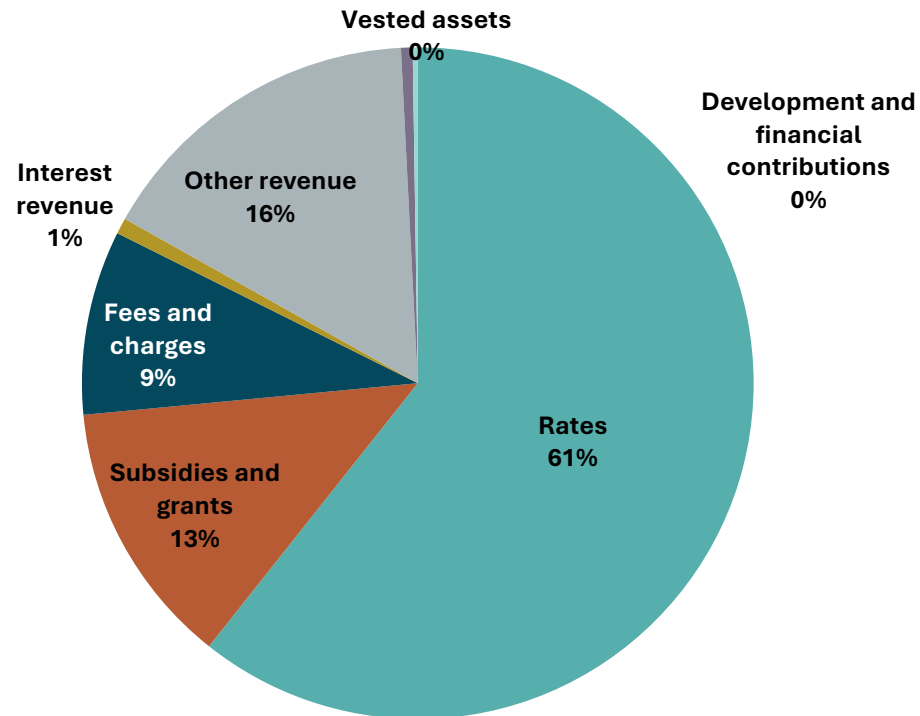
## Operating Expenditure (excluding other losses)

Overall operating expenditure of the year of \$36.0 million exceeded the budget of 30.9million by 14%. Depreciation costs of \$8.3 million were 19% higher than the budget, finance costs of \$1.3 million 20%, and other expenses of \$19.8million 19%. Personal costs of 6.6million were 8% lower than the budget.



## Revenue (excluding other gains)

Overall total revenue (excluding other gains) of \$30.4 million was more than the budget of \$29.5 million by 3%. Mackenzie District Council rates of \$18.4 million contributed 61% compared to 55% in the 2023/24 year. Development contributions reduced to 0% compared to 2% in the 2023/24 year and vested assets to 0% compared to 4% in the 2023/24 year. Timing of the completion of subdivision work, the vesting of assets and payment of contributions is outside Councils' control.



## Annual Report Disclosure Statement

1. These disclosures are a summary of the Annual Report 2024/25, prepared in accordance with PBE Standards Tier 1. This summary is an overview of our financial performance and position, and all information has been extracted from the full financial statements. The full financial statements were authorised for issue by Council on 31 October 2025.
2. The full financial statements are for the Council and group and have been prepared in accordance with the requirements of the Local Government Act 2002, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). The full financial statements have been prepared in accordance with Tier 1 Public Entity (PBE) accounting standards.
3. The summary financial statements do not include all the disclosures provided in the the full financial statements and do not give a complete understanding as provided by the full financial statements. For further information refer to the Annual Report 2024/25 which can be found on our website at [www.mackenzie.govt.nz](http://www.mackenzie.govt.nz).
4. The summary financial statements have been prepared in compliance with PBE FRS 43: Summary Financial Statements and are presented in NZ dollars rounded to the nearest thousand unless otherwise stated.
5. All financial statements have been examined by an external auditor, Audit NZ, on behalf of the Auditor General and received a modified audit opinion on 31 October 2025. Our audit opinion was modified as our auditors work was limited in relation to the performance measures on providing safe drinking water, as measured by bacterial and protozoal compliance with the Drinking Water Quality Assurance Rules (the Rules). As explained in the full report, the Council did not assess its compliance against all of the relevant requirements of the Rules in relation to bacterial and protozoal compliance and has experienced several challenges in relation to maintaining and assessing water quality in compliance with the Rules, and there are issues with the completeness and accuracy of the Council's record keeping. As the actual compliance result was unknown, the Council has reported a 0% compliance with the Rules across all water supplies.
6. The financial statements for the year ended 30 June 2025 were authorised for issue by the Council on 31 October 2025. We are not aware of any events subsequent to 30 June 2025 that require adjustment of, or disclosure in the financial statements.



Scott Aronsen  
Mayor

28 November 2025



Angela Oosthuizen  
CEO

28 November 2025

## Summary of Major Variances against our Budget

Under the provisions of the Local Government Act 2002 s.101 Council is required to manage its revenues, expenses, assets, liabilities, investments and general dealings prudently and in a manner that promotes the current and future interests of its community.

### Statement of Comprehensive Revenue and Expense

Council made a net loss of \$4.887 million (budgeted deficit of \$1.395 million).

**Subsidies and grants higher by \$917,000** - Tourism Infrastructure Fund (TIF) funding of \$882,000 for the completion of Fairlie and Lake Pukaki public toilets, Fairlie camper dump station and Ruataniwha Reserve carparking and landscaping, which were all budgeted for in previous years. Additional funds of \$179,000 for regional event tourism grants, which is matched by grant expenditure allocated to events in the Mackenzie. \$167,000 was also received for the trail maintenance of the Alps to Ocean trail. Offsetting these increases was \$294,000 less was received for Better off Funding projects, where receipt of monies is dependent on the progress of projects.

**Interest revenue lower by \$228,000** – less funds were invested due to the utilising of cash to fund projects rather than borrowing at higher external rates.

**Other revenue higher by \$949,000** - \$938,000 of unbudgeted carbon credits received.

**Development and financial contributions lower by \$831,000, and vested assets lower by \$86,000** – reflective of the current economic environment as are dependent on development activity.

**Other gains up by \$871,000** – due to annual revaluations on investment property and forestry assets.

**Personnel costs were lower by \$550,000** - due to a number of staff vacancies - specifically in Corporate Services, Transportation, and Planning and Regulatory Services. Part of this underspend is offset by increased costs in consultancy.

**Finance costs higher by \$260,000** – a result of borrowing higher than what was budgeted due to unforeseen expenditure required to cover weather events for roading reinstatement and rehabilitation.

**Other expenses higher by \$3.788 million** - Roading emergency works and emergency re-instatement and increased traffic service costs \$654,000, progression of stage 3 and 4 of the District Plan Review as well as appeals \$760,000, contracting out to cover staff vacancies \$192,000, completion of three Better Off Funding projects which was budgeted in prior years \$183,000, \$170,000 for additional regional tourism event funding grants, \$1,006,000 on contractor maintenance of water supplies, parks and reserves, waste collection and resource recovery parks and building control activities, \$132,000 additional resource consent consultancy costs which is recoverable from applicants. A

further \$525,000 was charged for the cost of harvesting forestry plantations. Unbudgeted costs of \$210,000 were incurred on the operation and maintenance of the Alps to Ocean Cycleway as a result of Council taking over full management of the entire cycleway, these costs are shared with Waitaki District Council.

**Depreciation and amortisation expense higher by \$1,588 million** - attributable to the increase in asset values and the capitalisation of a number of large infrastructure projects.

### **Statement of Financial Position**

**Cash and cash equivalents lower by \$1.899 million** - cash has been used to fund capital expenditure rather than making use of external borrowings at higher interest rates.

**Other financial assets lower by \$7.793 million** - term deposits that matured have been used to fund capital expenditure rather than making use of external borrowings at higher interest rates.

**Property, plant and equipment lower by \$39.014 million** - the budget included a revaluation for three waters and roading infrastructure assets, the actual valuation occurred in 2024 out of cycle and the actuals also now have a full year of depreciation booked against its values.

**Intangible assets higher by \$1.539 million** - Recognition of the annual carbon credit allocation which is not budgeted for \$0.9 million and the addition of new computer software.

**Forestry assets higher by \$407,000** - due to an increase in the annual valuation of forestry assets.

**Investment property is \$621,000 higher** - due to an increase in the annual valuation of properties.

**Non-current financial assets lower by \$435,000** - as a result of the decrease in the valuation of Alpine shares and increases in the fair value of Council's corporate bond as well as additional LGFA borrowers notes purchased during the year.

**Payables and deferred revenue lower by \$1.362 million** - due to a number of projects being fully paid for prior to year end. This is offset by a lower cash and cash equivalents balance from budget.

**Current Borrowings higher by \$8 million** - Due to the high interest rates the majority of borrowings are held on short term maturity periods. Additional borrowing was also undertaken above what was budgeted to fund the District Plan Review and unbudgeted expenditure for roading weather events.

**Non-current borrowings lower by \$4.736 million** - the majority of borrowings is under current borrowings due to the favourability of interest rates.

## Events after Balance Date

### **Weather Events**

Severe snow events occurred in July and August 2025. To date a total of \$172,172 has been spend due to snow clearance and gritting for ice.

### **Water Services Reform Programme – Local Water Done Well**

The New Zealand government is implementing a water services reform programme to address New Zealand’s water infrastructure challenges – the Local Water Done Well programme.

The first part of programme was to repeal previous water services legislation (the Water Services Entities Act 2022, Water Services Legislation Act 2023, and the Water services Economic Efficiency and Consumer Protection Act 2023) that would have transferred responsibility to ten newly established publicly owned water services entities.

The New Zealand government is introducing new legislation that recognises the importance of local decision making and flexibility for communities and councils to determine how their water services will be delivered in the future. The Local Government (Water Services Preliminary Arrangements) Act 2024 was enacted on 2 September 2024 and establishes the Local Water Done Well framework and the preliminary arrangements for the new water services system. The Act includes a requirement for councils to develop Water Services Delivery Plans by 3 September 2025. The Plans will outline future water services delivery arrangements, and for councils to commit to an implementation plan.

On 15 July 2025 Council made its decision on the model for delivery of water services. The Council chose to go with an in-house standalone business unit. Council submitted its Water Service Delivery Plan on 3 September 2025. There is some uncertainty as the proposal is currently being reviewed by the Department of Internal Affairs.

### **Three Waters Operations**

On 1 July 2025 the previously contracted out three waters operations were brought in-house. This involved the purchase of five vehicles, plant and equipment from the contractor and the employment of seven staff. With Council undertaking this it meant there was a smooth transition from contractor to in-house provision and no disruption to levels of service.

### **Investment Property Building Fire**

On 12 July 2025, Council’s investment property currently operated as Carnegies Restaurant on Allandale Road, Fairlie was severely damaged after a fire. The building is a heritage building and was fully insured. Currently the building has been made weather tight and security fencing installed. The fire claim was accepted by Council’s insurers and Council is now waiting for the insurers to provide a scope of works for a reinstatement plan

## Summary Financials 2024/25

\$000s	Actual 2025	Budget 2025	Actual 2024
<b>Statement of Comprehensive Revenue and Expense</b>			
Total revenue	31,259	29,517	29,450
Total finance costs	(1,292)	(1,032)	(846)
Total other expenses	(34,854)	(29,880)	(33,170)
<b>Surplus / (deficit) before tax</b>	<b>(4,887)</b>	<b>(1,395)</b>	<b>(4,566)</b>
Income tax credit / (expense)			-
Surplus / (deficit)	(4,887)	(1,395)	(4,566)
Total other comprehensive revenue and expense	809	581	23,770
<b>Total comprehensive revenue and expense</b>	<b>(4,078)</b>	<b>(814)</b>	<b>19,204</b>
<b>Statement of Changes in Equity</b>			
Equity at the beginning of year	397,539	442,960	378,335
Total comprehensive revenue and expense	(4,078)	(814)	19,204
<b>Equity at the end of year</b>	<b>393,461</b>	<b>442,146</b>	<b>397,539</b>
<b>Statement of Financial Position</b>			
<b>Assets</b>			
Total current assets	6,065	15,853	10,164
Total non-current assets	417,167	454,049	415,292
<b>Total assets</b>	<b>423,232</b>	<b>469,902</b>	<b>425,456</b>
<b>Liabilities</b>			
Total current liabilities	(16,891)	(10,136)	(12,825)
Total non-current liabilities	(12,881)	(17,620)	(15,093)
<b>Total liabilities</b>	<b>(29,772)</b>	<b>(27,756)</b>	<b>(27,918)</b>
<b>Net Assets</b>	<b>393,461</b>	<b>442,146</b>	<b>397,539</b>
<b>Equity</b>			
Accumulated funds	126,880	194,006	128,621
Reserves	4,340	8,661	7,365
Revaluation reserves	262,241	239,479	261,553
<b>Total equity</b>	<b>393,461</b>	<b>442,146</b>	<b>397,539</b>
<b>Statement of Cash Flows</b>			
Net cash inflow / (outflow) from Operating activities	476	5,153	3,865
Net cash inflow / (outflow) from Investing activities	(7,694)	(5,159)	(17,969)
Net cash inflow / (outflow) from Financing activities	3,000	10	9,442
<b>Net increase / (decrease) in cash held</b>	<b>(4,219)</b>	<b>4</b>	<b>(4,662)</b>
Opening cash balance 1 July	5,504	3,181	10,166
<b>Closing cash balance 30 June</b>	<b>1,287</b>	<b>3,186</b>	<b>5,504</b>

## Independent Auditor's Report

### **To the readers of Mackenzie District Council annual report for the year ended 30 June 2025**

The Auditor-General is the auditor of Mackenzie District Council (the Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Yvonne Yang, using the staff and resources of Audit New Zealand, to carry out the audit on his behalf.

We have audited the information in the annual report of the Council that we are required to audit in accordance with the Local Government Act 2002 (the Act). We refer to this information as “the audited information” in our report.

We are also required to report on:

- whether the Council has complied with the requirements of schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the Council’s disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations).

We refer to this information as “the disclosure requirements” in our report.

## **Opinion on the audited information**

### **Unmodified opinion on audited information, excluding the statement of service performance**

In our opinion:

- the financial statements of the Group on pages 88 to 92 and pages 94 to 142:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2025;

- the results of its operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Reporting Standards;
- the statement comparing actual capital expenditure to budgeted capital expenditure for each group of activities for the year ended 30 June 2025 on pages 29 to 86, has been prepared, in all material respects, in accordance with clause 24 of schedule 10 to the Act;
- the funding statement for each group of activities for the year ended 30 June 2025 on pages 29 to 86 has been prepared, in all material respects, in accordance with clause 26 of schedule 10 to the Act; and
- the funding impact statement for the year ended 30 June 2025 on page 93 has been prepared, in all material respects, in accordance with clause 30 of schedule 10 to the Act.

### **Qualified opinion on the statement of service performance**

In our opinion, except for the possible effects of the matter described in the *Basis for our opinion on the audited information* section of our report, the statement of service performance (included in section two “Activity Performance”) for the year ended 30 June 2025 on pages 18 to 84:

- provides an appropriate and meaningful basis to enable readers to assess the actual service provision for each group of activities; determined in accordance with generally accepted accounting practice in New Zealand;
- fairly presents, in all material respects, the actual levels of service for each group of activities, including:
  - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
  - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Reporting Standards.

### **Report on the disclosure requirements**

We report that:

- the Council has complied with the information disclosure requirements of Part 3 of schedule 10 to the Act for the year ended 30 June 2025; and

- the Council’s disclosures about its performance against benchmarks required by Part 2 of the Regulations for the year ended 30 June 2025 are complete and accurate.

## **Date**

We completed our work on 31 October 2025. This is the date on which we give our opinion on the audited information and our report on the disclosure requirements.

## **Basis for our opinion on the audited information and the disclosure requirements**

***Statement of service performance: Our work was limited in relation to the performance measures on providing safe drinking water, as measured by bacterial and protozoal compliance with the Drinking Water Quality Assurance Rules***

The Council is required to report against the performance measures set out in the Non-Financial Performance Measure Rules 2024 made by the Secretary for Local Government. These mandatory performance measures include measures on the extent to which the Council's water supplies comply with the bacterial and protozoal compliance criteria in the Drinking Water Quality Assurance Rules 2022 (the Rules).

As explained on pages 32-33 of the annual report, the Council did not assess its compliance against all of the relevant requirements of the Rules in relation to bacteria and protozoal compliance and has experienced several challenges in relation to maintaining and assessing water quality in compliance with the Rules. Our audit work also found issues with the completeness and accuracy of the Council's record-keeping. As the actual compliance result was unknown, the Council has reported a result of 0% compliance with the Rules across all water supplies.

As a result of these matters, our work was limited and there were no practicable audit procedures we could apply to determine whether the reported performance of 0% compliance reflects actual performance for these performance measures for the year ended 30 June 2025.

We issued a qualified opinion on these measures in the Council's 30 June 2024 statement of service performance, presented as comparative information in the 30 June 2025 statement of service performance, for similar reasons.

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): The Audit of Service Performance Information issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor for the audited information and the disclosure requirements section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information and our report on the disclosure requirements.

## **Emphasis of matter – Future of water delivery**

Without further modifying our opinion, we draw attention to note 33 on page 136 which outlines that in response to the Government's Local Water Done Well reforms, the Council has decided to deliver water services itself directly.

There is some uncertainty as the proposal is yet to be accepted by the Secretary for Local Government.

## **Responsibilities of the Council for the audited information and the disclosure requirements**

The Council is responsible for preparing the audited information and the disclosure requirements in accordance with the Act.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the audited information and the disclosure requirements that are free from misstatement, whether due to fraud or error.

In preparing the audited information and the disclosure requirements the Council is responsible for assessing its ability to continue as a going concern.

## **Responsibilities of the auditor for the audited information and the disclosure requirements**

### **Responsibilities for the audited information**

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the Council's annual plan or long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We evaluate whether the statement of service performance includes all groups of activities that we consider are likely to be material to the readers of the annual report.
- We evaluate whether the measures selected and included in the statement of service performance for groups of activities present an appropriate and meaningful basis that will enable readers to assess the Council's actual performance. We make our evaluation by reference to generally accepted accounting practice in New Zealand.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Group.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Group audited information. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Responsibilities for the disclosure requirements**

Our objective is to provide reasonable assurance about whether the Council has complied with the disclosure requirements. To assess whether the Council has met the disclosure requirements we undertake work to confirm that:

- the Council has made all of the disclosures required by Part 3 of schedule 10 to the Act and Part 2 of the Regulations; and
- the disclosures required by Part 2 of the Regulations accurately reflect information drawn from the Group's audited information and, where applicable, the Council's long-term plan and annual plans.

Our responsibilities for the audited information and for the disclosure requirements arise from the Public Audit Act 2001.

## Other Information

The Council is responsible for the other information included in the annual report. The other information comprises all the information included in the annual report other than the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the audited information and our report on the disclosure requirements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independence

We are independent of the Group in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out an assurance engagement for the Council. The assurance engagement, as described in note 12 on page 113, is compatible with those independence requirements.

Other than the audit, our report on the disclosure requirements, and the assurance engagement, we have no relationship with, or interests in, the Group.

A handwritten signature in blue ink that reads "Yvonne Yang". The signature is written in a cursive, flowing style.

Yvonne Yang

Audit New Zealand

On behalf of the Auditor-General Christchurch, New Zealand

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**Mackenzie**

DISTRICT COUNCIL

[mackenzie.govt.nz](http://mackenzie.govt.nz)